MDR Tracking Number: M4-04-0407-01

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above.

This dispute was received on 09/05/03.

I. DISPUTE

Whether there should be additional reimbursement for hospital admission for dates of service 01/30/03 through 02/03/03. Carrier denied charges as, "V-Payment has been denied because the carrier deems the treatment(s) and/or service(s) to be medically unreasonable and/or unnecessary based on a peer review judgment. N-Since Forte' has not received a response from our telephone, fax, and/or email request(s) for additional documentation in the past 14 days we are denying payment for the applicable services. Please submit the requested information. R-Payment is being denied prior to final adjudication since the carrier is disputing that the treatment(s) and/or service(s) is related to the compensable injury."

II. RATIONALE

Per the Carrier's denial of "V" unnecessary medical, the requestor requested and obtained preauthorization by the documentation submitted by the requestor. The carrier cannot retrospectively deny services after preauthorization was obtained per rule 133.301(a). Therefore, this is an inappropriate denial. Carrier also denied services as unrelated to the compensable injury prior to final adjudication. Carrier appealed a CCH decision held on 01/15/04 and the Appeals panel upheld the CCH in favor of the claimant. Therefore, final adjudication has been met and the denial of "R" is a moot point. Also the carrier denied services stating that they had not received documentation to support services were rendered. Requestor submitted documentation to the carrier on September 12th, 2003. Therefore, the denial is a moot point and the dispute will be reviewed per the Acute Care Inpatient Hospital Fee Guideline.

The carrier made no reimbursement based on the denial of "R", "V", and "N" listed above.

The carrier did not audit the charges per Rule 133.1, 133.301 and 134.401. Per Rule 134.401 (c)(6)(v), "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed."

According to Rule 134.401 (b)(2)(A) all hospitals are required to bill usual and customary. The requestor billed usual and customary. Without the appropriate audits per §133.301 and 134.401, the total of these disputed/audited charges exceed $40,000.00.

According to Rule 134.401(c)(6), the services in dispute are to be reimbursed per the Stop-Loss Method. Stop-loss is an independent methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. Rule 134.401(c)(6)(A)(i) states that to be eligible for stop-loss payment the total audited charges for a hospital admission must exceed $40,000. The reimbursement for the entire audited admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%. The Stop-Loss Reimbursement Factor is multiplied by the total audited charges to determine the Workers Compensation Reimbursement Amount (WCRA) for the admission.

Rule 134.401(c)(6)(B) states the formula for calculating the appropriate reimbursement is:

Audited Charges x SLRF = WCRA."

$81,898.05	Total billed charges
-$0.00	Proper audit reductions
$81,898.05	Total audited charges
x 75%	SLRA
61,423.54	Total recommended reimbursement
-0.00	Payments made
$61,423.54	Additional reimbursement recommended (WCRA)

III. DECISION & ORDER

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is** entitled to additional reimbursement for hospital admission of 01/30/03 through 02/03/03. Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Division hereby ORDERS the Respondent to remit **$61,423.54** plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this Order.

The above Findings, Decision and Order are hereby issued this 30th day of November, 2004.

Michael Bucklin
Medical Dispute Resolution Officer
Medical Review Division

Allen McDonald, Director
Medical Review Division

AM/mkb